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E.O. 11652: N/A
TAGS: SNAR
SUBJECT: Methaqualone Strategy Paper

REF:

The following strategy paper for the control of illicit trafficking of the drug methaqualone was prepared recently in the Department's Bureau of International Narcotics Matters. We would appreciate any comments addressee posts may have after reviewing the paper. These comments should be transmitted telegraphically.

A Strategy for the Control of Illicit Trafficking of Methaqualone

The Problem

Within the past five years the abuse of many stimulants and hallucinogens in the United States has declined, while other drugs, such as methaqualone, have been adopted for illicit abuse. Methaqualone, a powerful, sedative-hypnotic drug, was approved for use in the U.S. in the mid-1960s as a sleeping pill. The abuse potential of methaqualone, first

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OPTIONAL FORM 247 (Rev. 6-76)
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☆ GPO : 1976 O-213-630(100-1)

marketed under the trade name Quaalude, was not confirmed until the early 1970s. Widely touted as a "safe" drug and an aphrodisiac, methaqualone is both psychologically and physically addictive and is especially dangerous when used with alcohol. Overdoses of the drug can result in coma or even death (in 1979 methaqualone was detected in 220 drug-related deaths). The number of emergency room mentions involving methaqualone which were reported by the Drug Abuse Warning Network (DAWN) indicate an unprecedented level of abuse nationwide. Emergency room mentions during the first three quarters of 1980 totaled 3,374, up almost 100 percent from 1,705 in the same period in 1979.

Methaqualone is still produced and marketed outside the United States under the trade name Mandrax. The only licit US producer of methaqualone is the Lemmon Company of Sellersville, Pa., which markets methaqualone under the trade names Parest, Mequin and Quaalude. Strict controls on domestic manufacturing and distribution have been insufficient to halt the abuse of this drug, because large quantities are smuggled into the U.S. from foreign sources. Seizures of illicit methaqualone rose sharply from 900,000 dosage units in 1978 to 11 million the following year. In 1980, over 18 million dosage units of methaqualone were seized by law enforcement authorities in the U.S. and South America and in the first two months of this year, investigative efforts have resulted in the seizure of nearly 10 million dosage units of the drug. Most of the imported illicit methaqualone is smuggled from clandestine laboratories in Colombia.

The Situation and Actions to Date

Colombia

Three major factors have contributed to Colombia's role in the illicit processing and trafficking of methaqualone. The country was already a major supplier of marijuana and the processing and trafficking center of the large South American cocaine operations. In November 1978, the GOC launched a military campaign to curb illicit marijauna operations in the four-state Guajira region of northern Colombia. This effort encouraged marginal marijuana traffickers to shift to methaqualone. The tabletting and trafficking of methaqualone was attractive because, unlike marijuana, it is not subject to adverse weather and is relatively easy to store and transport to foreign markets.

Another reason for the rapid growth of the illicit methaqualone "industry" in Colombia was the ambiguous position of the GOC. During 1978 no significant actions were taken by Colombian authorities to halt methaqualone operations because of its uncertain status under GOC law. Initially, some officials held that it was not controlled under criminal

statutes, although research revealed that the drug had been included in Ministry of Health resolutions of June 1976 and August 1977 as a controlled substance.

By March 1979 methaqualone was covered in the list of controlled substances and trafficking included as a criminal offense under Colombia's anti-narcotics law, Decree 1188 of 1974. According to a February 1980, DEA report, the GOC Ministry of Health in 1979 notified exporting and manufacturing nations that methaqualone imports are illegal and to cease exports.

Despite this notification, from eight to fifteen clandestine tableting operations have continued to import methaqualone from Europe and process it in northern Colombia. It now appears that most of the methaqualone powder for these tableting operations comes from German shippers, supplied by Hungarian and other sources. There are several reports of Chinese methaqualone powder, shipped via Germany, being used by the illicit Colombian operations.

In September 1980, the Colombian legislature ratified the Psychotropic Substances Convention of 1971, the international drug control agreement under which methaqualone is controlled. On January 13, 1981, President Turbay signed the agreement finalizing Colombia's ratification of the convention. Article 13 of the convention provides that nations prohibiting imports of a drug may notify the Commission on Narcotic Drugs that such imports are prohibited. Exporting countries are then obliged to halt shipments to the notifying country. Colombia has not yet taken this latter action.

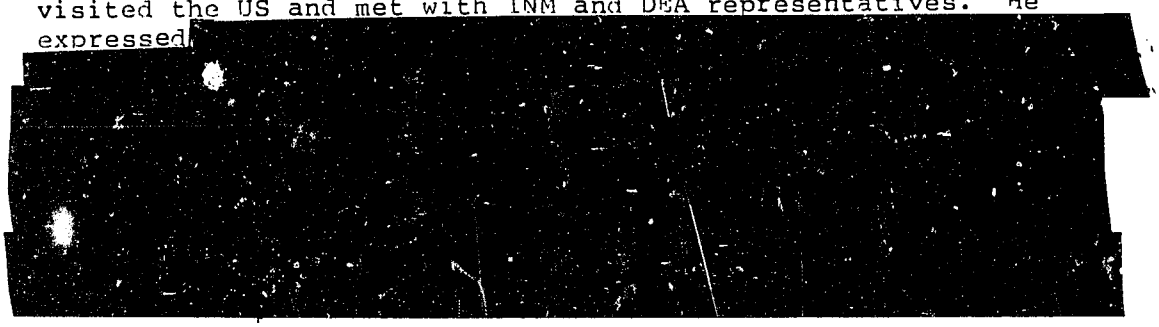
Hungary

There is considerable evidence that Hungary has been the main source of supply of the basic chemical substances used in clandestine methaqualone laboratories in Colombia. A Hungarian government operation, Medimpex, is a large manufacturer of methaqualone, which is produced exclusively for export. (The drug is not marketed domestically.) Medimpex exports all its production to two of its subsidiaries, one in Switzerland and another in the FRG. These companies in turn sell the methaqualone powder to brokers, mainly in the free port of Hamburg, who ship it to Colombia, generally by regular commercial air or sea transport.

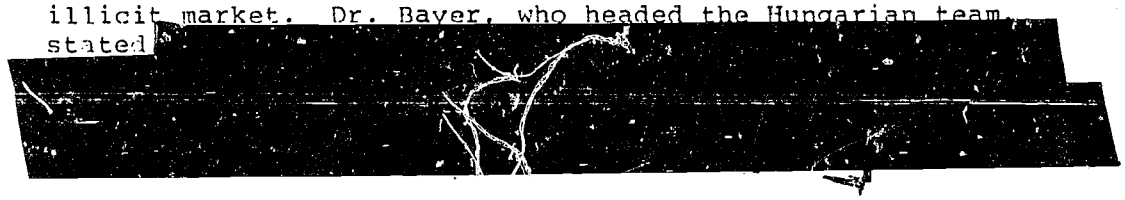
In mid-1980, contacts were initiated with GOH authorities to seek more details about the Hungarian role in the diversion of methaqualone to the illicit market. DEA's regional officer visited Budapest in August, where authorities were aware of the illicit shipments to Colombia. At the invitation of the Hungarians, a meeting was held in Budapest in October at which

GOH representatives expressed a willingness to cooperate in tracing the diversion of the substance and provided data on methaqualone exports to the FRG and Switzerland.

Just after the Budapest meeting, Dr. Istvan Bayer, Director of the Hungarian National Drug Control Institute, visited the US and met with INM and DEA representatives. He expressed



In January 1981, the Director of DEA's Office of Compliance, Gene Haislip; Marc Golubock, DEA/Bonn; and Albert L. Glad, INM/State visited Budapest. In two meetings and informal contacts with GOH officials, they described the methaqualone situation and urged stricter controls to curb diversion to the illicit market. Dr. Bayer, who headed the Hungarian team, stated



The Federal Republic of Germany and Switzerland

Licit drug firms in the FRG and Switzerland are key links between the Hungarian manufacturer and the illicit dealers in Colombia. The lack of controls on licit drug firms in these countries have made it possible for them to supply the Colombian operations. There is evidence that some methaqualone from Chinese (PRC) manufacturers has also been shipped via West German firms to Colombia. Authorities in the FRG have cooperated closely with USG officials there, but progress has been limited, in part by a delay in the FRG legislation to implement the Psychotropic Convention. Until this law comes into effect, which is not expected until January 1982, any controls on methaqualone exports will have to be administrative in nature.

After their January 1981 visit to Budapest, the joint State/DEA team stopped in Bonn. There, FRG officials noted that the proposed narcotics law would impose controls on methaqualone exports, as required under the Psychotropic Convention. The law will soon be reviewed by the legislature and will probably not become effective until January 1982. The FRG representatives

explained that there is no evidence of methaqualone abuse in their country now. Thus, administrative controls for methaqualone would be hard to justify and expensive to implement; they cited extreme staff limitations, but agreed to continue to exchange drug intelligence with DEA.

As a follow-up, our Charge in Bonn raised the methaqualone problem in a call on the new State Secretary in the Ministry of Health. Our Charge suggested the possibility of FRG foreign trade laws to control methaqualone pending the adoption of the new narcotics legislation. The State Secretary agreed to look into the matter.

Switzerland, not a party to the 1971 Psychotropic Convention, has no international legal obligation to control methaqualone. There have been no recent official contacts with Bern on this subject. The GOS has provided information on shipments to FRG authorities, however.

Peoples Republic of China

There is, as noted above, recent evidence that some of the methaqualone powder entering Colombia originated in the PRC. Although we know of no direct methaqualone exports from the PRC to Colombia, Chinese shipments to the FRG increased dramatically during 1980. Informal contacts with PRC officials were initiated at the CND meeting in Vienna in February 1981.

Strategy

The proposed strategy is designed to be pursued in multilateral fora and on a bilateral basis with the nations most directly concerned.

Multilateral Measures

The annual meeting of the Commission on Narcotic Drugs (CND) was held in Vienna February 2-11, 1981. Although the U.S. had prepared resolutions on methaqualone, we supported a resolution presented by the International Narcotics Control Board (INCB) which included the key elements of the U.S. resolutions. The INCB resolution, which was overwhelmingly approved, includes an appeal to all states to adhere to the 1971 Convention (under which methaqualone is controlled) and calls on non-members to apply its control provisions. Parties to the agreement that have not yet enacted implementing legislation are urged to do so. All governments are asked to provide the INCB with assessments of their medical and scientific needs for Schedule II (includes methaqualone) substances so that such information can serve as guidance for manufacturers and exporters. The resolution also invites all governments to voluntarily refrain from exports of Schedule II substances

beyond countries' assessments or that clearly exceed countries' likely needs. If successful, these voluntary measures should close many of the loopholes that permit exporters to supply methaqualone to illicit trafficking operations.

The CND resolution also requested that the INCB study ways the Psychotropic Convention might be strengthened by a formal amendment in the light of experience with the voluntary measures recommended by the Board. For the future, we should closely review the results of these measures in order to draft/support an amendment to the Convention, if need be. We should also continue to assist concerned nations by providing them with information on U.S. drug control regulations and procedures.

Bilateral Measures

Colombia

In January 1981, President Turbay signed the Psychotropic Convention. Our Embassy in Bogota plans to remind the GOC that it can take steps under Article 13 to notify other signatories that methaqualone imports are illegal. Other nations would then be enjoined from further methaqualone exports to Colombia. This and possible future diplomatic initiatives, coupled with increased enforcement efforts to interdict illicit shipments of methaqualone, will have a significant impact on the problem.

Hungary

GOH authorities have played an active role in the UN International control system and have expressed interest in curbing the diversion of methaqualone to the illicit market. They have supplied information on the customers of their West German and Swiss subsidiary firms. GOH officials have expressed a willingness to co-sponsor and support measures in the CND to strengthen controls on methaqualone. We should follow-up with the Hungarian authorities in this regard. We should also monitor their commitment to require official approval from importing nations before authorizing methaqualone shipments.

The Federal Republic of Germany

The FRG legislation implementing the Psychotropic Convention has been delayed and is not likely to become effective until January 1982. Our Embassy in Bonn will continue to urge the FRG to adopt interim controls on methaqualone. The FRG has also supported the CND resolution calling for exchanges of information on the manufacture, import, and export of the substance and for voluntary controls on the movement of methaqualone shipments in international commerce.

Switzerland

The GOS is not a party to the Psychotropic Convention, although it has been generally cooperative on certain drug issues in the past. In the short run, we should make high-level representations to the Swiss, urging, at the very least, administrative controls on methaqualone exports. Again, the US requirements could be provided as a possible example. In the long term, we should encourage the GOS to join the Psychotropic Convention.

People's Republic of China

We believe that the PRC was unaware of the methaqualone problem until recently. Evidence from investigations gives reason to believe that a substantial amount of the methaqualone exported by the PRC to the FRG is diverted to illicit channels. We are asking our Embassy in Beijing to discuss the methaqualone situation with the appropriate PRC authorities. Depending on the PRC reply, we may wish to send a USG representative (s) to Beijing to pursue the matter further.

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HANDLING	CLASSIFICATION	MESSAGE REFERENCE NO.
ROUTINE	LIMITED OFFICIAL USE	A-13

TO: Department of State (INM)

FROM: Amembassy BOGOTA

DATE: March 31, 1981

E.O. 11652: E.O. 12065: N/A

TAGS: SNAR

SUBJECT: ANNUAL NARCOTICS STATUS REPORT (ANSR, FOR 1980)

REF: STATE 037958

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I. COLOMBIA'S PERCEPTION OF ILLICIT NARCOTICS ACTIVITIES AND THE GOVERNMENT'S CONTROL EFFORTS

A. (U) Contraband has been flowing across Colombia's borders for centuries, ever since Colombians first learned to circumvent the repressive trade policies during the Spanish Colonial Period. Public attitudes have been deeply affected by the traditional acceptance of smuggling as an integral part of life in Colombia and illicit narcotics and drugs were perceived as nothing more than lucrative adjuncts to Colombia's age-old smuggling trade.

B. (U) In the recent past, most Colombians perceived drug trafficking to be a problem created by the United States and belonging entirely to that country. This percipience was altered somewhat in late 1978 when an active role in the suppression of marihuana trafficking on the North Coast was assigned to Colombia's armed forces. As the news media continued to apprise the public of Colombia's role and importance in drug trafficking, both the government and private sector began to realize the magnitude of the drug problem and the negative effect it was having on Colombia. Known

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corruption among government officials suborned by drug dealers, the growth of an "illegal" economy immune to the power and taxation of the government, and the influx of enormous sums of money into the legitimate economy served to increase Colombia's awareness of the problems created by the drug traffic. Also, the entry into politics of "unknowns" with unlimited financial backing clearly alarmed the elite who traditionally monopolize that domain.

C. (LOU) There remains, however, significant lack of public enthusiasm for the government's narcotics control efforts. The dissenters are numbered among members of the press, some of the intelligentsia, and a few political figures and interest groups. These people either actively or tacitly oppose the suppression of the illicit drug trade and apparently perceive no harm in producing and smuggling marihuana. Some of them oppose the government's anti-narcotics efforts solely because their own monetary interests in the lucrative contraband field are being jeopardized. Although not opposed to interdiction per se, others believe it to be corruptive and dangerous to the enforcement entities. Still others believe that the production of marihuana should be legalized and properly taxed, so it would bring in more revenue for the government and provide prosperity to the indigenous growers. For the past three years, a well-known local organization called ANIF (National Association of Financial Institutions) has conducted a publicity campaign in favor of legalizing the cultivation and export of marihuana, but Embassy officers have been told repeatedly by many Colombian officials that substantial sentiment for legalization does not exist within the government.

D. (LOU) Since President Turbay vowed that his administration would act boldly and vigorously against narcotics trafficking, the highest levels of the GOC have stood behind this pledge. Unfortunately, Turbay's commitment has not been reflected by field commanders who must put policy into action. Enforcement agencies confronted with endless problems of law and order cannot always direct limited staff and equipment against narcotics traffic. Regardless of the good intentions of the central government, Colombia must decide, like any other country, which social and economic problems require priority attention. Currently, the message is clear that combatting subversion and protecting borders rank higher than stemming the flow of narcotics and drugs.

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II. UNITED STATES INTEREST

A. (LOU) Since the inception of USG assistance in FY 1973, the principal U.S. interest in narcotics control in Colombia has been to the extent possible to prevent illicit narcotics and drugs from reaching the United States.

[redacted]

Embassy officers enlightened the members of Colombia's Narcotics Coordinating Committee by explaining that USG financial assistance can only supplement the government's anti-narcotics efforts and that the lion's share of the responsibility for implementing narcotics interdiction activities described in bilateral project agreements belongs to the GOC. On a bilateral basis, with financial support provided by the USG, Colombia is likely to continue to carry out narcotics interdiction indefinitely.

[redacted]

B. (U) After the protracted lapse in continuity experienced during 1980, owing to the shift of narcotics suppression responsibility within the Ministry of Defense (MinDef) from the armed forces to the National Police, a renewed GOC attack on narcotics traffic is supposed to begin during March 1981. The keystone of the campaign will be effective implementation of the MinDef Project Agreement, which emphasizes strengthening of interdiction capabilities, with the National Police as the action arm.

C. (U) To promote a discernible trend toward judicial reform the Embassy is encouraging the GOC to establish a judicial career service with standards criteria for judicial appointment, and provisions for review of professional conduct to be developed by the recently-created Higher Council of the Judiciary. Greater opportunity for joint efforts with the GOC relative to the prosecutorial side should arise as judicial reform takes effect and the planned Fiscalia General (Prosecutor General's Office) becomes operational.

III. COLOMBIA'S NARCOTICS PROFILE

A. Production, Financing and Marketing of Licit Narcotics

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1. (U) The production of opium, coca, marihuana and all drug-producing plants are prescribed by Colombian Law.

2. (U) The Ministry of Health is responsible for the production, sale and control of all licit medicines and drugs, and for the enforcement of national protective laws through its Secretariat of Health. Of the licit pharmaceuticals available in Colombia, over 75 percent are processed locally from imported substances.

3. (U) Although minimal diversion of licit drugs had reportedly occurred at ports of entry and at pharmaceutical plants, the extent of such pilferage is unknown.

4. (U) The principal chemicals used for converting coca derivatives to cocaine hydrochloride (HCL) are well known to Colombia's enforcement agencies. In fact, a substantial number of clandestine cocaine labs have been located solely by tracing the precursors from their points of origin to the labs.

B. Production, Financing and Marketing of Illicit Narcotics

1. Coca/Cocaine

a. (LOU) Estimated Yield for 1981 - Remote sensing is required to determine precisely the extent of illicit coca production in Colombia. However, based on police reports, informants' disclosures, and conclusions of Embassy personnel who have travelled in/flown over areas of illicit coca cultivation, it is estimated that 3,000 hectares (hectare equals 2.471 acres) are planted in coca bushes. Since each hectare has the potential to produce approximately 250 kilograms of leaves each harvest, three harvests during 1981 could yield about 2,250 metric tons of leaves. Approximately 5.6 metric tons of cocaine HCL could be derived from that amount of leaves.

b. (LOU) Location of Production - The follwoing chart reflects the Embassy's best estimate of coca production in Colombia by area:

Department/Political Subdivision	Coca Cultivation in Hectares
Meta and Vaupes	1,000
Cauca	1,000
Putumayo	
Nariño	

Meta and Cauca

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Putumayo	500
Nariño	500
TOTAL	3,000

c. (LOU) Routes of Movement to Processing Facilities - Both paste and base are smuggled overland from Peru, through Ecuador, via the Pan American Highway. Coca derivatives also enter Colombia by private aircraft, and by watercraft from Iquitos, Peru, via the Amazon River. The Maderia-Amazon-Putumayo River System is also used for transporting coca products from Bolivia. Commercial aircraft are occasionally used for imports from La Paz (Bolivia), Lima (Peru), Guayaquil and Quito (Ecuador). Private aircraft bringing in coca products from Peru and Bolivia to towns in southern Colombia often continue on to airstrips near the larger cities where most of the clandestine cocaine labs are located, principally Bogota, Medellin, and Cali. Logistical reasons for this are that chemicals required for cocaine processing are always available in the larger cities. Since cocaine HCL is adversely affected by high temperatures and humidity, most clandestine labs are located in mountainous areas rather than the hot, humid coastal regions.

d. (LOU) Degree of Processing in Colombia - Although intelligence indicates that coca-leaf production is increasing in Colombia, the growers are apparently unable to meet the traffickers' demands and the bulk of coca raw materials still comes from Peru and Bolivia. Cocaine HCL is produced in comparatively small quantities, often less than ten kilograms, and then only after an order has been placed. The necessary reagents, along with cocaine base, are frequently stockpiled, but cocaine HCL is not because it is unstable and does not keep well. The DEA estimates that 19 to 23 metric tons of HCL reached international distribution centers in Colombia during 1980, and that most of it was processed locally after entering Colombia as paste or base from Peru and Bolivia.

e. (LOU) Disposition, Who Buys it, At What Price - Twenty major cocaine trafficking organizations in Colombia have been identified by the DEA. The principal purchasers of coca derivatives and cocaine HCL are members of these organizations. Estimated prevailing prices for coca products in Colombia are shown below:

Coca Leaves (arroba*)	8,000- 12,000 pesos	(160- 240 USD)
Coca Paste (kilo)	140,000-280,000 pesos	(2,800-5,600 USD)

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Cocaine Base (kilo)	400,000-500,000 pesos	(8,000-10,000 USD)
Cocaine HCL (kilo)	950,000 pesos	(19,000 USD)

*One arroba equals 25 pounds

f. (LOU) Form or Quantity Illicit Substance Enters and Leaves - Coca derivatives enter Colombia as either coca paste or cocaine base, though lesser amounts of cocaine HCL occasionally enter from Ecuador. All coca derivatives processed in Colombia leave the country in the form of cocaine HCL.

2. Marihuana Production

a. (LOU) Estimated Yield for 1981 - As in the case of coca production, remote sensing would be required to determine the actual extent of marihuana production in Colombia. Nevertheless, based on an estimated 44,500 hectares of marihuana under cultivation, the DEA calculates that 50,000 metric tons of marihuana could be produced during 1981.

b. (LOU) Location of Production - Marihuana is illegally grown in many sections of Colombia but the principal growing region is the Northeastern departments (states) of La Guajira, Magdalena, and Cesar, where an estimated 40,500 hectares are under cultivation. Marihuana having a lesser THC content is also grown on approximately 4,000 hectares in the Eastern plains area (Llanos) of Meta, Vaupes and Vichada. Although marihuana cultivation has been reported in Bolivar, Sucre, Cordoba and Antioquia, insufficient data are available to estimate the quantity.

c. (LOU) Routes of Movement to Processing Facilities - Marihuana is processed where it is grown. It is generally compressed into bales and transported by vehicle and/or beast of burden to warehouses concealed by high bushes or trees, located near clandestine airstrips or beaches. Most of the Llanos crop is flown by private aircraft, piloted by Colombians, to the Pacific Coast or, to a lesser extent, to the North Coast area. It is also stored in warehouses to await the arrival of other aircraft or marine vessels.

d. (LOU) Degree of Processing in Colombia - Processing consists of harvesting the marihuana, separating the leaves from the stalks, and compressing it into bundles. The bundles are called bultos and each weighs about 40 kilograms. Production estimates were discussed in Paragraph a, this section.

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c. (LOU) Marihuana

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e. (LOU) Disposition, Who Buys It, At What Price - Marihuana smuggling is a complex business including the grower, packers, drivers, bodyguards, and other, marihuana touches many primary and secondary contacts before reaching the illicit exporter. Among the 40 families who reportedly control marihuana trafficking on the North Coast, 12 major organizations have been identified by the DEA. Although most of the marihuana produced in Colombia goes to the U.S., other international markets are served as well, including some in South America. A buyer's market currently exists in Colombia since the bumper crop realized in the Guajira in the fall of 1980 has resulted in large amounts of stock-on-hand, which have caused dramatic price reductions. Depending on the area, mode of transport and delivery site, marihuana can be purchased for as little as one dollar per pound.

f. (LOU) Form or Quantity Illicit Substance Enters and Leaves - There is no indication that marihuana ever enters Colombia. Most of the marihuana produced in Colombia leaves in compressed bundles in multi-ton quantities. Hashish processing reportedly has taken place on the North Coast but reports indicated a relatively small quantity is exported and is noted for its inferior quality in the internaticnal market.

3. (LOU) Methaqualone Production - Trafficking in methaqualone has increased during the past two years but it appears to be confined to the Barranquilla area on the North Coast. Methaqualone powder is introduced into Colombia from European suppliers in 500-kilo lots. In Colombia, the powdered methaqualone is cut with inert ingredients and illegally entabletted under the trademarks Rorer 714 and Lemmon 714. DEA's ballistics analyses of tablets originating in Colombia have identified five different presses. The tabs are smuggled to the U.S. and elsewhere in multi-million dosage unit shipments. How much enters the U.S. illicit market is still unknown, however, an estimated 36 metric tons of methaqualone are believed to be exported from Colombia in final tablet form, according to DEA, a cautiously low estimate.

4. (LOU) Opium Poppy Production - Small cultivations of opium poppy are discovered from time to time, but none has proved of sufficient size to warrant immediate alarm. Nevertheless, with fully-established criminal smuggling networks already operating in Colombia, the possibility of opium being added to Colombia's illicit drug trade cannot be discounted.

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C. Transshipment of Illicit Drugs

1. Cocaine

a. (LOU) Role of Colombia in Transshipment of Cocaine - The role of Colombia as the world's largest processing/ distribution center for cocaine continues unabated. This tole is defined in greater detail in several sections of this report.

b. (LOU) Mode of Transportation - Passenger airlines, marine cargo vessels having ports of call on both coasts of the U.S., ships of the Gran Colombiana Line, vessels of the Prudential Line, banana boats, and cargo and cruise ships that touch Colombian Ports. Colombian cargo and military aircraft have also been used for smuggling cocaine.

c. (LOU) Transportation Routes Within Colombia - Paste and base are moved by small boats along the Western Coast from Esmeraldas (Ecuador) to the Tumaco area (Colombia). The Pan American Highway from Tulcan (Ecuador) to Pasto (Colombia) is commonly used, where coca products are concealed in private vehicles, buses, and cargo trucks. Paste and base are also smuggled from Leticia (Colombia) by riverboat and small watercraft to various distribution points and thence to the labs by commercial and private aircraft, or overland by vehicle, via public roads and trails.

d. (LOU) Traffickers' Involvement - Numerous highly organized and sophisticated rings exist within Colombia directed and involved purely in narcotic activities. Among currently targetted organizations are:

1. (LOU) [redacted]

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2. Marihuana

a. (LOU) Role of Colombia in Transshipment of Marihuana- Colombia continues to be the major source country for marihuana consumed in the U.S.. [redacted] the organized criminal elements involved in marihuana trafficking along the North Coast have so much money that they routinely buy off law enforcement officials and administrative employees of the courts, in the first instance to prevent arrest and in the latter to avoid prosecution if arrested. Low pay for Colombia's armed forces and police, about 150 USD per month for the lowest grade, almost amounts to tacit approval of their pursuing personal pecuniary interests when dealing with cocaine and marihuana seizures worth millions of pesos. President Turbay and the Minister of Defense have publicly acknowledged that corruption of army personnel was one reason for the military's withdrawal from the Guajira Campaign. This corruption has greatly facilitated the transshipment of marihuana. Even though the armed forces made some impressive marihuana seizures during its two years in the Guajira, their total seizures amount to less than ten percent of production in that area. How the National Police who are replacing the military in the Guajira are expected to succeed where the highly-touted armed forces have failed is open to conjecture. The successes enjoyed by the marihuana traffickers during the past two years could not have been possible without the collaboration of many individuals connected to the host government.

b. (LOU) Mode of Transportation - Most marihuana produced in Colombia is smuggled to the U.S. by marine vessels. Shipments range from 10 to 100 metric tons, utilizing vessels of all sizes. Most of the illicit marihuana smuggling takes place on the North Coast, from Barranquilla to Bahia de Portete; however, some maritime marihauna traffic is also carried out along the Pacific Coast from Buenaventura south to the Ecuadorean border. Marihuana cargoes are delivered either to the coastline of the U.S. or to international waters nearby and then transferred to smaller U.S. vessels. Airborne marihuana smuggling almost always involves U.S. aircraft flown by U.S. pilots, since Colombian pilots are unwilling to risk a landing in the United States. Clandestine airstrips are located all over Colombia, but most of them are concentrated in the north. A Colombian Army General, who prefers to remain anonymous, declared that there are no "clandestine" strips.

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c. (LOU) Transportation Routes Within Colombia - covered in Paragraph B, Subparagraph 2-c, this section.

d. (LOU) Traffickers' Involvement - covered in Paragraph C, Subparagraph 1-d, this section.

D. Significance of Drug Production, Trafficking and Demand in Colombia's Economy.

1. Coca Products

a. (LOU) Data concerning financial flows related to coca buying and cocaine trafficking are skimpy. Illicit transactions are usually conducted on a cash basis, though cashiers checks are sometimes accepted. No reliable estimates can be offered relative to the quantity of cocaine money generated, or its distribution within or outside Colombia. However, based on illicit exports of 19 to 23 metric tons of cocaine HCL, with a Miami delivery price of 50,000 USD per kilogram, final sales could reach 950 million USD annually.

b. (LOU) Although coca is grown in some locales on land used for other crops, the total yield is not on a scale which would adversely affect Colombia's overall food production, now or in the foreseeable future. As coca production increases, however, some of the campesinos may become dependent on income from coca production since it is much more profitable than legitimate crops. Perhaps the most valid observation is that Colombia has a great potential for expanding its illicit coca production. Even if the estimated 3,000 hectares under cultivation were not expanded, production would still multiply as the existing bushes mature. In three to four years, the average (mean) height of today's coca bushes could be over two meters. This means that each hectare would yield hundreds of kilograms more (leaves). Based on current estimates, and allowing for a 15 percent leaf loss, another 15 percent loss because of clandestine laboratory inefficiencies, and a ten percent seizure/destruction rate, the "net" yield in three to four years would be sufficient to produce about 20 metric tons of cocaine HCL.

c. (LOU) Colombia only recently began to focus on the problem of domestic coca production. Enforcement agencies have destroyed some individual fields and continue to do so; however, except for its piecemeal campaign of repression, the GOC has not adopted a policy for dealing with illicit

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local coca production and is not currently considering an income substitution program for coca producing areas.

2. Marihuana

a. (LOU) Marihuana production has had a noticeable economic impact on the North Coast. As weather conditions and the boll weevil have adversely affected cotton cultivation, some land previously dedicated to cotton as well as to tobacco and other crops, has been converted to marihuana production. Reportedly, some of the legitimate farmers in that area have been forced to sell their properties to the criminal element, to be used for the cultivation of marihuana. It cannot be assumed, though, that marihauan cultivation has adversely affected overall agricultural production. Marihauan cultivation has had no evident effect on agricultural production in the Llanos.

b. (LOU) The uses of marihuana earnings are diverse. Much of the earnings of Colombian drug traffickers are kept in overseas bank accounts. Holdings in the U.S. and other countries run into billions of dollars. At a maximum, somewhere around one and one-half billion dollars in drug earnings were repatriated to Colombia or transferred to other Colombians in 1980. Some of these drug dollars are reexported (or transferred without entering Colombia) as payment for illegal imports, for investments or other uses outside the country. Some remain in Colombia as dollars, to replenish the country's growing illegal dollar economy. Up to about 850 million illegally earned dollars (not exclusively from the drug trade) were converted into pesos in 1980 through manipulation of legal banking mechanisms, including overinvoicing of exports and sales to the Central Bank, ostensibly as the proceeds of tourism. Currency exchange houses, particularly in Barranquilla, serve as intermediaries for many of these conversions.

c. (LOU) Uses of monetized narcotics earnings. - At the beginning of the marihuana boom, most traffickers believed it was easier to stay alive on the North Coast if one's standard of living did not challenge that of one's competitors. As immense profits became available to all major drug organizations, human nature and ostentation triumphed. The economy of the North Coast reflects the enormous amount of cash introduced there by an increase in personal buying power. Barranquilla and some of the other North Coast communities now abound in luxury shops offering imported wearing apparel, electrical appliances and expensive furniture. Local commerce is currently

[redacted] directed to an efficient [redacted] into a purely [redacted] though, each trafficker has his Mercedes BMW saturation point leaving funds for investment in country. Short term lending and relatively non-production investment receive most of these funds. Colombia has an extensive secondary financial market, where short-term funds are lent at rates of up to 50 percent, considerably higher than regular banking rates. Much of the peso proceeds of drug traffic is probably channelled into this market. Other investments are made in ownership and construction of luxury real estate, and in the purchase and improvement of agricultural properties, often more for show than profit.

d. (LOU) All these uses of money can be said to have negative impacts on Colombian economic policy, particularly the government's efforts to reduce inflation. Prices and wages in the North Coast area have been shown to be particularly inflated because of the influx of drug money. Real estate speculation has caused the price of land to skyrocket in the past few years, with affects not only on the consumer price index but on the ability of middle and lower income families to obtain decent housing. Overall, the construction industry has been in a slump. More directly, the continued expansion of extra-banking markets, both in dollars and pesos, has seriously crippled the government's ability to combat inflation through tight monetary policy. The result is a credit squeeze which has seriously affected productive investment and contributed to economic slowdown, coupled by only slight success last year in reducing price inflation, which still stands at over 25 percent.

E. Local Drug Abuse During 1980

1. (LOU) Drug abuse in Colombia has apparently not begun to approach epidemic levels and, therefore, is not perceived as a problem of consequence by the GOC.

2. (LOU) In order of priority, the drugs which have reportedly been abused to some extent in Colombia, not including alcohol, are marihuana, amphetamines, and barbiturates.

a. (LOU) Marihuana - According to the Ministry of Health, marihuana is consumed by a sizeable segment of the population. Its use is reported to be on the rise and the GOC

has recently announced plans for an educational campaign directed against marihuana use, which will serve as a drug demand reduction effort.

b. (LOU) Amphetamines and Barbiturates - These drugs are both available in Colombia and are controlled by the Ministry of Health. Although they can be purchased at pharmacies, numerically-controlled prescriptions must be obtained from physicians. Although some abuse of these drugs has been reported, no data are available to determine the extent of the alleged use.

c. (LOU) Cocaine - No statistics related to the use of cocaine are available. In the remote areas where coca bushes are grown, the Indians consume a substantial quantity of the leaves.

3. (LOU) Local Prices for Drugs - Covered in Item III, Paragraph B, Subparagraphs 1-e and 2-c.

F. Legal Aspects

1. (LOU) On January 13, 1981, President Turbay signed the 1971 Convention on Psychotropic Substances. Before the treaty becomes part of Colombian law, the GOC must deposit the instruments of ratification with the United Nations, and the President must issue a Decree of Promulgation, stating Colombia has become a party to the Convention. Once that decree is published, the treaty will be part of domestic law, retroactive to the day of deposit of the ratification instruments.

2. (LOU) The Colombian Congress is considering a project for new legislation to supersede Decree No. 1188, the basic narcotics law of Colombia. If the project is approved, Congress will ask the Executive Branch to present its recommendation for the new legislation, which the Justice Minister has already prepared in draft. Included in the draft are provisions to increase minimum penalties for narcotics violations, to clarify the "personal dosage" concept, to control the construction and use of airstrips, and measures to facilitate financial investigations of suspected drug traffickers.

G. Enforcement Agencies

1. (LOU) Judicial Police - The Anti-Narcotics Unit under the Office of the Attorney General (DNC) is staffed with

Judicial Police. It is the principal law enforcement agency charged with narcotics investigations and the enforcement of narcotics laws in Colombia. It has about 140 personnel nationwide, of which 30 are support personnel. Its headquarters are in Bogota and five regional offices are located in Barranquilla, Cali, Medellin, Pasto, and Popayan. Although the unit has been fairly successful in combatting drug trafficking, its effectiveness has been impaired by budgetary restrictions and a high turnover of personnel in the regional offices. Since the Attorney General has failed to expand the unit to provide full national coverage, it has been unable to assume the entire responsibility for drug investigations.

[redacted]

2. (LOU) National Police (NP) - The uniformed force has approximately 60,000 personnel. The NP's F-2 Section (detectives) was given the responsibility for enforcing narcotics laws and about 60 personnel of the F-2 are thus assigned. The F-2's Narcotics Unit operates chiefly in Bogota since there are very few narcotics enforcement police elsewhere. The unit has been reasonably effective and has made some outstanding cocaine seizures over the past several years. It has been operating without any USG financial assistance since FY 1976. Under the current project agreement with the MinDef, which includes the National Police, about 1,000 NP personnel will be trained, equipped, and deployed nationwide as special narcotics units, in addition to the existing F-2 unit. The majority of these new units will be assigned to the North Coast area to replace the armed forces in marihuana interdiction. As of February 17, 1981, 489 NP personnel have been trained, equipped, and assigned to the North Coast, and an additional 49 NP intelligence agents are scheduled for imminent deployment to the Llanos and Amazonas areas. Another training course for two more NP companies (220 men) begins March 15, 1981.

3. (LOU) Customs - This organization has approximately 6,000 personnel deployed in 18 patrol districts throughout the country and at 22 entry points. The Investigations Office of Customs contains a small narcotics unit, but the majority of Customs' drug seizures occur while inspection/patrol units are carrying out their regular assignments. The effectiveness of Customs has improved steadily over

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the past two years under the able direction of a retired admiral. He has a reputation for honesty and integrity and, through numerous "house-cleaning" exercises, he has removed literally dozens of customs personnel who were corrupt.

4. (LOU) Department of Administrative Security (DAS)- The DAS is a major investigative agency, but it has no charter to conduct drug investigations and has no organized anti-narcotics element. Nonetheless, DAS officers occasionally become involved inadvertently in drug cases while pursuing other investigations. Many of the investigations initiated by the DAS have resulted in drug seizures and narcotics arrests. [redacted]

5. (LOU) Colombian Armed Forces - Although not a law enforcement establishment, the armed forces have been engaged in narcotics interdiction in the Guajira area for over two years. They have recently withdrawn from all narcotics interdiction in that area and are being replaced by special units of the National Police. The military still has a supporting role in narcotics interdiction under the terms of the current project agreement with the MinDef. The Air Force in particular will be able to lend valuable support to the National Police units deployed in the Guajira.

H. Training

1. Nature and Quality of Local Anti-Narcotics Training.

a. (U) A cadre of instructors from the GOC Customs Service has been developed over the past two years with the assistance of NAU/Customs Advisors. These instructors have been conducting in-country Customs/narcotics training to Customs personnel in the field regions and have been averaging one course for 30 agents approximately every four months (see 5 below). The quality of this training has been excellent.

b. (U) Several investigators of the F-2 (National Police) who have attended DEA sponsored U.S. training participate as instructors for basic and limited narcotics training as requested by the various National Police Academies. This group participated in a joint enforcement in-country training program for 90 mixed Police and Judicial Police

personnel in which the quality of their instruction was excellent.

2. What U.S. Training has been Provided

a. (U) During 1980 there was a severe curtailment of funds and no DEA sponsored U.S. training was available.

b. (U) Two GOC Customs participants attended a mid-level Customs/narcotics course in the U.S. in March 1980.

c. (U) U.S. provided training, to date, has proved effective as an incentive to emphasize narcotics interdiction within the various agencies.

3. (U) There are no third country or multi-lateral training programs available in, or to, Colombia at the present time.

4. Evaluate the Progress Domestic Organizations have made towards Institutionalizing the Training Function on an in-country basis.

a. (U) As mentioned in 1.a. above, the GOC Customs Service has an excellent in-country training program which is conducted by host country instructors with some input by a NAU/Customs Advisor. Some minimal U.S. training in Customs Instructor methods may be needed in the near future to replace those present instructors who may be transferred to other duties.

b. (U) There exists a good capability within the Judicial Police of the Attorney General's Office and the F-2 of the National Police to institutionalize the in-country anti-narcotics training function utilizing that personnel which has received U.S. training. By providing the temporary services of a U.S. training specialist to work with, and develop this group of DEA graduates, an excellent cadre of instructors can be organized to conduct future in-country narcotics training.

5. During 1980 the following in-country narcotics training was conducted:

a. (U) 96 Customs personnel in three courses conducted by local instructors.

b. (U) 35 Customs personnel trained in narcotics and

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vessel boarding and searches by a combined U.S. Customs and local instructors.

c. (U) 90 Judicial Police and National Police in a two week joint DEA/local police enforcement effort.

d. (U) 216 National Police in two - three day enforcement seminars with NAU and DEA instructors.

e. (U) NAU funded two speakers for the International Conference on Alcoholism and Drug Abuse, held in Medellin, Colombia, in December 1980.

f. (U) Narcotics Training Seminar for Judges was conducted in Medellin, Colombia, for approximately 50 judges and 20 Judicial and National Police officers.

I. (U) Prevention Treatment and Rehabilitation Programs- Some small-scale drug treatment programs exist in Colombia and are implemented by semi-private centers, a few hospitals under the auspices of the Ministry of Health, and in health centers loated in various parts of the country. The responsibility for drug demand reduction rests almost entirely with the Ministry of Health. As mentioned in Item E, Subparagraph 1, drug abuse in Colombia is not perceived as a problem of any importance by the GOC at this time.

J. (U) Arrests - the only statistics bearing on arrests are as follows: The GOC's combined enforcement agencies arrested 1,465 persons on narcotics charges, 103 of whom were foreigners

K. (U) Seizures - The GOC's combined enforcement agencies seized 743.9 metric tons of bulk marihuana, 1,545.2 kilos of HCL, 476.6 kilos of cocaine base, 89.5 kilos of coca paste, and approximately 13.9 million dosage units of other danderous drugs, predominately methaqualone. They also destroyed 106,665 coca bushes, and dismantled 54 clandestine cocaine laboratories.

L. (U) Crop Eradication and Income Replacement - An emerging GOC interest in eradication, both manual and herbicidal, may provide the opportunity for a serious assault on coca and marihuana at their source. Although narcotics project plans are currently focused on narcotics interdiction, Embassy initiatives are underway to encourage the GOC to consider seriously the destruction of illicit

crops through eradication, particularly coca. The GOC currently has no project for dealing with income replacement should eradication take place on a larger scale. The number of hectares of coca destroyed during 1980 was contained under Item III, Paragraph K, "Seizures".

M. (U) End-Use Utilization of Commodities - No instances of non-narcotics use of USG-provided commodities have been reported. According to inspection reports, equipment provided by the U.S. for narcotics interdiction and control has been used in compliance with the agreements under which the equipment was furnished, with one notable exception. Two radars on the North Coast have not been used at all. Procedures are underway to return the radars to the U.S. Customs Service whence they came. Millions of dollars of commodities to be provided under the current project agreement with the MinDef have yet to enter the pipeline.

IV. MULTILATERAL DRUG CONTROL

A. Colombia is a party to the following:

1. (U) 1961 Single Convention

2. (U) 1972 Amendments to the 1961 Single Convention

3. (U) 1971 Convention on Psychotropic Substances

4. (U) The U.S. and Colombia have had a bilateral narcotics control program since FY 1973. Although the West Germans have expressed their concern about Colombian-processed cocaine entering their country, they have not offered Colombia any assistance in controlling narcotics.

B. (U) International Committees - None

C. (U) Local Accomplishments of International Cooperation.

1. (U) Although the Andean Pact has undertaken no cooperative programs on the narcotics issue -- so important to four of five members -- President Turbay has expressed his willingness to coordinate Colombia's anti-narcotics efforts with those of other Andean countries.

2. (U) On the local level, police officials in Colombia's Southern border departments (states) already have established limited cooperative programs with their Ecuadorean counterparts.